

PCE Sues Arkwood For Contamination

By Ginger Shiras

The state Pollution Control and Ecology Department filed suit Friday against Hallie Ormond, Arkwood, Inc., C. C. "Bud" Grisham and Mass Merchandisers, asking for a court order forcing them to clean up the closed Arkwood wood treating facilities south of Omaha.

The lawsuit asks for an order that they stop polluting the waters of the state, remove pentachlorophenol wastes and "undertake remedial action as necessary to investigate, control, prevent, abate or contain any releases or threatened releases of hazardous substances from the Arkwood site."

Ormond owns the Arkwood site and he, Grisham and Mass Merchandisers have operated the wood treating plant at various times from 1962 until Mass Merchandisers closed it in 1984.

The Arkwood site was added to the federal Superfund list of the country's 800-plus most hazardous waste sites last October without any announcement other than a listing in the Federal Register.

Mass Merchandisers has since signed a consent administrative order with the federal Environmental Protection Agency, agreeing to pay for a study that would produce a plan for cleaning up the site.

When McKesson Corp. bought Mass Merchandisers Inc., it announced that it had agreed to pay up to \$2 million and set aside an additional 88,000 shares of McKesson stock to help cover "environmental liabilities of Mass Merchandisers relating to its discontinued wood treating operations."

Phil Deisch of Little Rock, the lawyer who filed the state suit Friday, said Tuesday that Mass Merchandisers' agreement with the EPA "preserved their defenses" against any requirement that they pay for the actual clean-up. He said Mass Merchandisers was the only "potentially responsible party" to agree with the EPA to finance the study.

Deisch said the Pollution Control and Ecology Department "feels it is in the public interest to press the claim for the final remedy against the potentially responsible parties."

Asked if the state's lawsuit would result in a faster clean-up, he said, "I guess that would be our hope."

Studies by Mass Merchandisers and state and federal pollution control authorities have shown that pentachlorophenol, which has caused cancer and other diseases in test animals, was dumped into a sinkhole on the Arkwood property in its early years of operation and has been found in Cricket Spring and a ditch on railroad property adjoining the plant.

The EPA-Mass Merchandiser consent agreement says pentachlorophenol "has been found to be embryotoxic and phytotoxic. Chronic exposure may result in

chlorachne, headaches, muscle weakness, weight loss, and liver and kidney damage."

While records on file with the state show that at least one well — that of Bob Behrens — showed signs of contamination, Mass Merchandisers' engineers believe that the 2,100 foot Omaha municipal water well "is not in any way threatened."

The engineers, Geraghty and Miller, say that water under the site moves northwest, while the Omaha well is located northeast of the plant and that several home wells in the mile between the plant and the city well have not been contaminated. The engineers also say that contamination has been found only in a shallow aquifer, which is separated from the Omaha well by "several thick aquicludes."

A chronology of events at the Arkwood plant contained in the the administrative order shows that the site was an open pit mine for railroad ballast for construction of rail beds in the early 1900s.

Ormond bought the property in 1961 and started operating Arkwood in 1962 with Grisham supervising operations. Arkwood was incorporated in 1965 with Ormond holding 210 shares. Grisham and his wife, Mary Jo Grisham, who is Ormond's daughter, each held 30 shares and Ina Ann Farmer held 30 shares.

In the early 1970s, disposal of sludge from the operation was moved from the sinkhole to the railroad ditch and the amount of sludge decreased as rising costs forced more efficient use of treating solutions, the chronology says.

In 1973, Ormond leased his land to Mass Merchandisers, which took over wood treating operations. The 12 year lease paid Ormond \$1,200 a week, according to the chronology.

Although the chronology does not explain the connection, it says Arkwood was dissolved as a corporation in 1974 and the shareholders at the time were Bud and Mary Jo Grisham. It shows that two years later, the Grishams sold their stock in Mass Merchandisers for \$2.2 million.

In 1981, the Missouri Pacific railroad started blasting for a railroad tunnel beside the plant and railroad workers' pollution complaints brought county and state inspectors to the site.

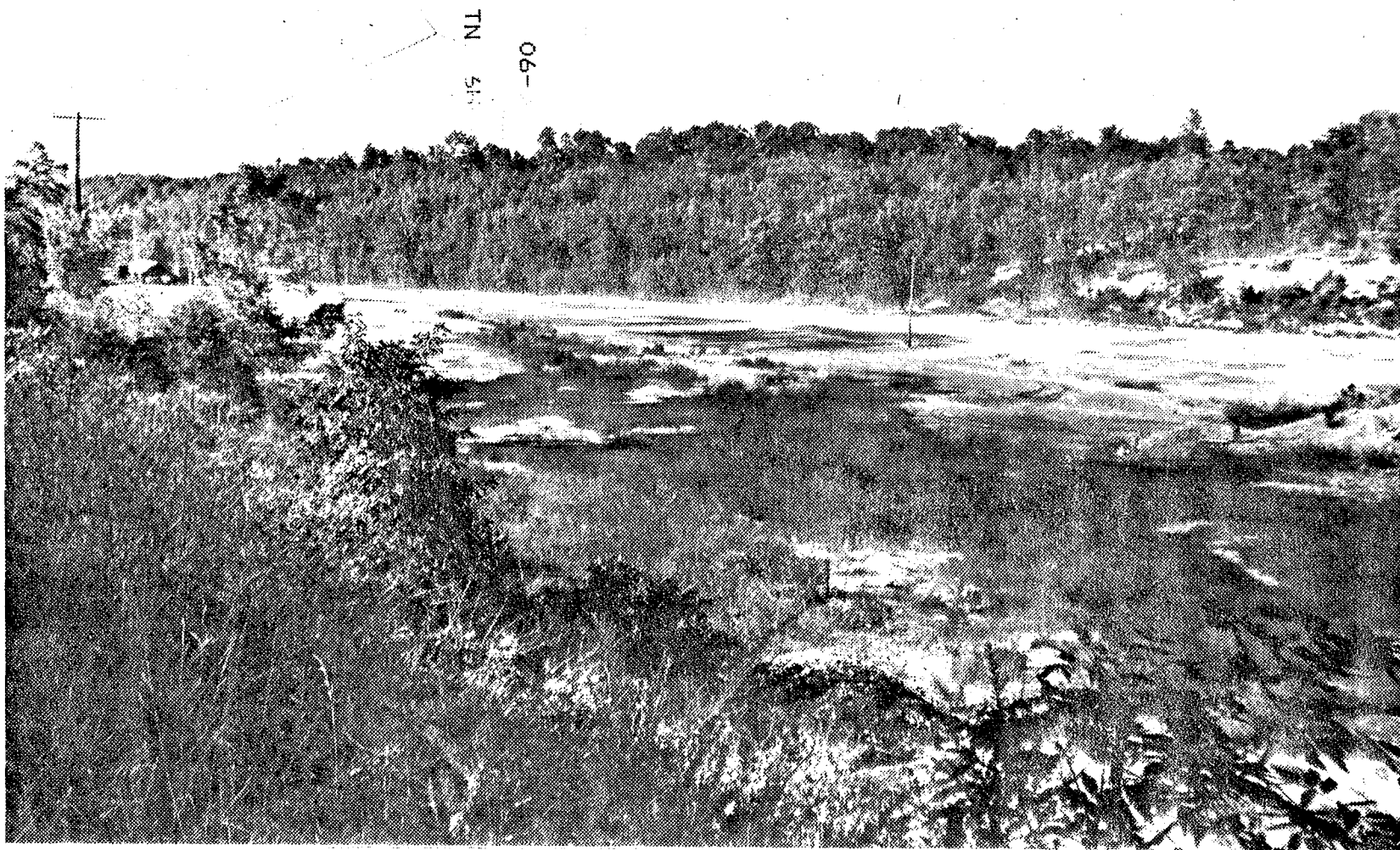
The state Pollution Control and Ecology Department asked for further samples and sampling continued through the fall of 1984 when Mass Merchandisers sold and removed the remaining inventory of treated wood and treating materials from the Arkwood site.

The chronology shows that on March 12, 1984, Mass Merchandisers offers to buy Bob Behrens' farm for \$90,000. There is no indication of whether Behrens' sold.

Last October, Arkwood was added to the Superfund list and on May 15 of this year, Mass Merchandisers signed the consent order requiring the site study.

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Site of Arkwood timber treating plant near Omaha.